

THE C. O. BARTLETT AND SNOW COMPANY
BALANCE SHEET AS AT DECEMBER 31, 1941.

ASSETS

Current Assets

Cash		\$ 61,434.24
Accounts Receivable - Customers	\$247,799.13	
Less Allowance for Doubtful Accounts	<u>3,500.00</u>	244,299.13
Notes Receivable - Customer		2,608.88
Inventories		
Raw Materials	117,371.46	
Contracts in Process	93,447.50	
Finished Stock	<u>59,947.81</u>	<u>270,766.77</u>
Total Current Assets		579,109.02

Other Assets

Accounts Receivable & Advances - Miscell. -		
Less Allowance of \$8,000.00	17,820.26	
Expense Orders in Process	1,636.58	
Securities	<u>1,145.49</u>	20,602.33

Subsidiary Companies

20,367.84

Permanent Assets - Sound Values -

As Appraised

Land as Appraised September 10, 1937 ^{Oct 24, 1937}	62,175.00	
Plant and Equipment as Appraised		
August 1, 1937	455,340.32	
Patents and Drawings	<u>1.00</u>	517,516.32

Deferred Charges

Prepaid Insurance	5,851.00	
Air Travel Card Deposit	425.00	
Prepaid Interest	<u>704.55</u>	<u>6,980.55</u>

Total Assets

\$1,144,576.06

Note: A contingent asset existed at December 31, 1941, in the form of a claim for refund of \$190.00 of 1939 Federal Income Taxes.

THE C. O. BARTLETT AND SNOW COMPANY
BALANCE SHEET AS AT DECEMBER 31, 1941.

LIABILITIES & NET WORTH

Current Liabilities

Notes Payable - Banks	\$125,000.00
Federal, State, & County Taxes - Estimated	79,085.74
Accounts Payable - Trade	74,103.70
Salaries & Wages	16,364.90
Commissions Payable	12,591.28
Provision for Further Costs on Contracts	11,120.00
Note Payable - Protection Mutual Insurance Company	3,469.92
Miscellaneous Accounts Payable	735.54
Royalty Payable	715.80
Customers' Credit Balances	<u>514.19</u>
Total Current Liabilities	323,701.07

Net Worth

Capital Stock

Preferred - \$100.00 Par Value	
Authorized - 3,100 Shares <u>\$310,000.00</u>	
Issued - 2,869 Shares	\$ 286,900.00
Common - No Par - Declared	
Value - \$10.00 per Share	
Authorized - 15,000 Shares	
Issued - 14,502 Shares	<u>145,020.00</u>
	431,920.00

Surplus

Surplus from Appraisal	\$239,258.30	
Earned & Capital Surplus	<u>149,696.69</u>	<u>388,954.99</u> <u>820,874.99</u>

Total Liabilities and Net Worth \$1,144,576.06

THE C. O. BARTLETT AND SNOW COMPANY

Statement of Profit and Loss for the Year Ended December 31, 1941.

Gross Sales		\$1,617,629.75	
Less: Returned Sales & Allowances	5,071.41		
Freight Out, Etc.	<u>15,333.66</u>	<u>20,405.07</u>	
Net Sales			\$1,597,224.68
Deduct Plant Cost of Contracts Billed:			
Inventories, January 1, 1941		189,539.80	
Purchases Less Direct Credits		680,711.24	
Direct Labor		149,316.70	
Manufacturing Expense		115,465.81	
Engineering Cost		105,664.47	
Pattern Cost		15,474.20	
Provision for Further Costs on			
Contracts at December 31, 1941		<u>11,120.00</u>	
		1,267,292.22	
Inventories, December 31, 1941		<u>270,766.77</u>	
		996,525.45	
General Administrative Expense		149,896.28	
Erection Cost		60,194.35	
Special Erection Expense		<u>5,818.05</u>	<u>1,212,434.13</u>
Plant Gross Profit			384,790.55
Selling Expense			<u>250,748.90</u>
Operating Profit			134,041.65
Other Income		57,459.49	
Other Deductions	36.000 Div from Syracuse.	<u>11,682.22</u>	<u>45,777.27</u>
Net Profit Before Federal Income & Excess Profits Taxes			179,818.92
Estimated Federal Income & Excess Profits Taxes			<u>62,369.95</u> + 1
Net Profit After Estimated Federal Income & Excess Profits Taxes			<u>\$ 117,448.97</u>

Note: Total depreciation expense, based upon cost for 1941 is \$16,221.22.

THE C.O. BARTLETT & SNOW COMPANY INVESTMENT ADVISOR

DESIGNERS AND BUILDERS OF
MATERIAL HANDLING AND PROCESSING EQUIPMENT

6200 HARVARD AVENUE
CLEVELAND, OHIO, U.S.A.

FEB 15 1941

RECEIVED
CABLE ADDRESS
BARTLETT

FOR ATTENTION OF

February 12, 1941.

REFER REPLY TO

JQM:DW

Mr. A. G. Stucky,
National City Bank,
Cleveland, Ohio.

Dear Sir:

At the request of H. L. McKinnon, we enclose herewith copies of the Certified Balance Sheet and Operating Statement of this Company as at December 31, 1940.

We are also furnishing you with Operating results for the past five years. The figures shown are after Reserve for Federal Income and Excess Profits Taxes, in those years where a net profit is shown:

1936	\$48,838.79
1937	79,248.92
1938	65,443.32
1939	49,281.15
1940	36,115.53

Mr. McKinnon has been confined to his home by illness for the past few days, but is now improving.

Yours very truly,

THE C. O. BARTLETT & SNOW COMPANY,

J. L. Markin
Assistant Treasurer.

c. J. Neville
9-5

D. 0230

THE C.O. BARTLETT & SNOW COMPANY

DESIGNERS AND BUILDERS OF
MATERIAL HANDLING AND PROCESSING EQUIPMENT

6200 HARVARD AVENUE
CLEVELAND, OHIO, U.S.A.

February 9, 1942.

INVESTMENT
FARM SEC. 1

MAR 6 - 1942

RECEIVED

To the Stockholders of
The C. O. Bartlett & Snow Company:

The Statements, as submitted, are based upon the figures set up in the report made by our Certified Public Accountant, following his audit of the books and records of the Company for the year 1941.

We began operations for that year, with a back-log of unfilled orders and contracts, amounting to \$334,630.11. Our business volume, over the year, was built up increasingly by sales activities and the urgent need for equipment, - such as we are equipped to design and build, - by concerns in various industries engaged in the production of materials or equipment having relation to Government Defense; and because of this, and the demand for early deliveries, our Engineering Department and Shop were therefore subjected to increasing pressure, but were most cooperative.

As a result, monthly billings increased from \$58,529.38 for January, to \$157,947.84 for June, by which time (the end of the first six months), billings amounted to \$630,170.46, and the back-log of unfilled contracts had been built up to \$705,643.52.

During the last six months of the year, all activities of the Company, such as sales, engineering and plant production were related to business of higher volume, more vitally identified with Government Defense. Total billings for this latter half of the year, amounted to \$927,044.25, and the back-log of unfilled contracts as at the close of the year was \$945,794.81.

Because of this increasing pressure upon the Company, more overtime work was required by Company employees during 1941, than in any previous year in the history of the Company. All employees, however, were most cooperative, and consented to forego time off for vacation, - based on the Company's offer to grant vacation-pay to all those qualified for vacations by length of service.

Operating costs, for 1941, were increased by the requirement, under law, for time and one-half pay for overtime work; also by vacation pay, and by additional compensation, as represented by profit-sharing bonuses and other payments for employee benefits, as made, in accordance with authorization by Company Stockholders, by action taken at their special meeting held on November 18, 1941. Such additional compensation, however, has been deemed fully justified by your Board of Directors, under conditions such as obtained in 1941, when business

volume attained to such a high level, with resulting increase in earnings; for it was the Board's judgment that a Company like ours, which has need of men possessed of requisite technical knowledge, training, and experience for dealing with the problems of the industries we hold ourselves out to serve, must so act with regard to matters of compensation as will serve employee interests, and keep intact an organization with adequate abilities in its various members for serving the interests of the Company, as well as those of its customers,- upon whom both employee and stockholder groups are dependent,- because it is from satisfied customers that the money comes out of which all employee and stockholder compensation is paid.

Based on Government action for increased Defense production, we were increasingly burdened throughout the year, by having to comply with all regulations set up by Government agencies, with regard to material procurement,- requiring concentrated study and attention from all in related departments, in order that procedure be made to conform to Government regulations.

However, we do not know what changes may be made in Government regulations for future emergency years, but we must be prepared to adjust ourselves to such requirements as may be so made. For in this connection, the present Chief of the newly created War Production Board, has declared that "the nation must get the greatest possible war production." Then, in discussing possible procedure, he said:

The answer to that question may be hard to swallow. It may call for a pooling of tools, for a redistribution of skilled workers, for a concentration of civilian production in one set of plants, and 100 per cent war production in others.

It may involve curtailment of the ordinary function of ownership, management and labor; it may, in fact, and very probably will, call for utterly revolutionary changes in the method of operating that industry and in its whole network of relationships as between government, management, suppliers and workers.

But what of it? The one thing that counts is to get the stuff out and get it out quickly. We cannot waste three months--or three weeks for that matter--in wrangling and discussions; we cannot compromise this demand for all-out production, or accept a formula which gives us anything less than the absolute maximum of production, just because someone's toes are going to be stepped on.

The refunding loan of \$60,000.00 negotiated with The Cleveland Trust Company, in April of 1940,- the proceeds of which were used to redeem the Company's outstanding First Mortgage Serial Real Estate Bonds, was fully paid as of December, 1941, resulting in considerable savings to the Company, through reduction in interest payments.

Other Bank loans, however, were negotiated, in order to enable the Company to carry through with its increasing volume of business during the year 1941, and \$125,000.00 of such loans were outstanding at the close of the year.

While sales since the first of this year have been below the average for 1941, it is still our hope that with a back-log of unfilled contracts as at the beginning of the year, amounting to \$945,794.81, and the developing prospects for future business, based on the War emergency requirements, it will be possible to meet all Company obligations for the current year, including taxes and Bank loans as above.

On behalf of all Directors and Officers of the Company, I wish to express the appreciation we all feel for the cooperation of all members of the Company's organization, in helping make compliance with all applicable requirements of the business in this emergency.

Respectfully,

W. S. Lister
President.

THE C. O. BARTLETT AND SNOW COMPANY
BALANCE SHEET AS AT DECEMBER 31, 1942.

ASSETS

Current Assets

Cash		\$ 173,747.13
U.S. Treasury Bonds & Accrued Interest		5,054.17
Accounts Receivable - Customers	\$529,835.87	
Less: Allowance for Doubtful Accounts	<u>3,500.00</u>	526,335.87
Inventories		
Raw Materials	154,985.38	
Contracts in Process	261,018.14	
Finished Stock	<u>70,605.11</u>	486,608.63
Total Current Assets		<u>1,191,745.80</u>

Other Assets

Post-War Refund of Excess Profits Taxes	38,062.07	
Accounts Receivable & Advances -		
Miscellaneous - Less Allowance	23,273.75	
Expense Orders in Process	1,424.82	
Securities	<u>447.74</u>	63,208.38

Cobwell Reduction Company, Inc. - 51% Owned

Capital Stock - Common - At Cost		510.00
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Permanent Assets

Land - As Appraised September 10, 1937	78,376.14	
Plant & Equipment - As Appraised July		
31, 1942	593,589.09	
Patents and Drawings	<u>1.00</u>	671,966.23

Deferred Charges

Insurance Deposit - Protection Mutual Fire		
Insurance Company - Less Note Secured		
Thereby	2,750.82	
Prepaid Insurance	3,018.10	
Air Travel Card Deposit	425.00	
Prepaid Interest	877.13	
Prepaid Commission	<u>623.20</u>	7,694.25

Total Assets		<u>\$1,935,124.66</u>
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